

*Draft of the Second Report of the Committee on Railroads, Canals,
and Telegraph Lines.*

**The Select Standing Committee on RAILROADS, CANALS, AND
TELEGRAPH LINES, beg leave to present the following as their
SECOND REPORT :**

Your Committee have examined the Bill to amend the Acts relating to the Grand Trunk Railway Company of Canada, and have had before them the various contracts for the performance of the work, and also the Amalgamation Agreement between the several Companies forming part of the Grand Trunk Line: they are of opinion that it would not be proper to have these documents printed for public circulation, but they have called on the Managing Director of the Company, Sir Cusack P. Roney, to give evidence on the contents of these several documents, which evidence is submitted with this Report. They have agreed to several amendments to the Bill, which they have the honor to report for the consideration of your Honorable House.

Your Committee have also had under consideration, the Petition of Thomas C. Keefer, Esq., Civil Engineer, praying that he may obtain legal recourse against the Grand Trunk Railroad Company, for certain alleged claims against Companies previously formed for the construction of portions of the Line now occupied by the Grand Trunk Company. Your Committee have ascertained that Mr. Keefer's claim is for services performed in the survey of a Bridge across the St. Lawrence, and that no Company was authorized to construct such a work prior to the passing of the Act 16 Vic., chap. 75, by which the Grand Trunk Railroad Company was empowered to do so. Your Committee have, however, ascertained that the Company have always professed a readiness to pay Mr. Keefer for any services of his of which their Engineers have availed themselves.

All which is respectfully submitted.

EVIDENCE.

Of Sir Cusack Roney, Kt., in reference to the Grand Trunk Railway of Canada.

LEGISLATIVE ASSEMBLY,

RAILWAY COMMITTEE ROOM,

3rd. November, 1854.

Sir Cusack Roney, Kt., Managing Director of the Grand Trunk Railroad Company of Canada, called in and examined :

1. Have you a copy of the amalgamation agreement of the Grand Trunk Railroad Company?—I have.
2. Does it contain the contracts with the English and Canadian Contractors for the several sections of the Railroad?—It does.
3. How many sections are there referred to in the agreement that have reference to contracts? Describe them?—There are four sections, one from Quebec

to Trois Pistoles, one from Montreal to Toronto, one from Belleville to Peterboro', and one from Toronto to Sarnia, and there is also the Victoria Bridge included in the agreement.

4. Beginning with the Montreal and Toronto, what is the length, and the contract price?—The length of the Montreal and Toronto section is 345 miles, and the total cost is £8,000,000. (All answers that I shall give to the Committee to-day referring to figures and accounts are in sterling.)

5. How much is the Provincial guarantee on this section?—The Provincial guarantee on this section is £1,035,000.

6. Will you state what the contracts provide as to the character of the works? What are the bridges to be constructed of, the stations and other buildings?—They provide that the line and all its appurtenances shall be equal to any first-class English Railway, and superior to any now known or used on this Continent. The Bridges are to be of masonry or brick work with iron tubes across the spans. All these Tubes are on the principle of the well known Britannia Bridge across the Menai Straits in Wales. The Stations and all other Buildings, such as Engineer repairing Shops &c., are to be of brick or stone covered with slate or metal.

7. Do the contracts include a supply of Engines, freight and passenger cars, snow ploughs, work-shops, &c.?—They do. There is a specification which gives in detail the number of Engines, Cars, both Passenger and Freight, as well as Gravel Cars, Snow Ploughs, Repairing Shops, Water Houses, Wood-Sheds, in short every article required for efficiently working the Railway.

8. Are the Contractors bound to pay the entire interest on the Capital Stock as well as debentures of all kinds until the delivery of the Railway to the Company?—Yes, they are so bound.

9. What is the contract price for the Belleville and Peterboro' line, and what are its length, and the character of the works? Is this work commenced, and when is it to be finished? It is fifty miles in length, and the cost is to be £400,000. The works on this section, and indeed I may say upon every other section of the Grand Trunk line are to be of the character described in my answers having reference to the works of the Montreal and Toronto section. The Line between Belleville and Peterborough is not yet commenced; it is one of the portions we propose to postpone for the present, that is, until the money and labour markets are in a more favorable condition for carrying on great undertakings in Canada.

10. What is the contract price for the Victoria Bridge? One million four hundred thousand pounds, with a power to the Engineer-in-chief of the Company to certify for the payment of another £100,000 if, at the completion of the work, he is satisfied that that additional sum should be paid to Messrs. Peto & Co.

11. What will be the amount expended on the Victoria Bridge at the end of the present year, and at what rate are the works to proceed each year,—describe what has been done this year and what is likely to be the progress next year?—There will be about £200,000 expended on the Bridge this year, and it is intended to expend from £200,000 to £250,000 each year during its construction. All the preliminary arrangements for carrying out the works have been organized; and of actual work done, what we call Pier No. 1, that is the pier next to the northern abutment, is finished. The Pier No. 2 is progressing very satisfactorily, and if the weather continue open it may be nearly finished this season. The northern abutment will be brought about as high as the winter level of the St. Lawrence. The amount of masonry in this abutment may be judged by the fact that it is 242

feet long, 90 feet wide, and about 34 feet above the bed of the river. The solid stone embankment of 1200 feet long, leading from the north shore of the St. Lawrence to the north abutment, is in active progress, and will be carried on during the winter. With reference to next year's works, I beg to state that they will, in addition to being carried on from the north shore, be advanced from the south shore, so that under favorable circumstances, by this time twelve months, both the abutments, the solid banks leading to them, and seven or eight piers may be finished. Some progress has already been made in preparing the tubes, and this work will be carried on energetically during the winter, and I believe a couple of them will be put in their places next summer. With reference to the enquiry of an honorable Member (Mr. Merritt), I am unable to say whether the space between the under surface of the Bridge and the summer level of the St. Lawrence is in conformity with the first Act. I only know that there will be an interval of 60 feet between the one and the other.

12. When is it contemplated that the line between Montreal and Toronto, or any of its sections, will be opened, and when will those between Quebec and St. Thomas, and between Toronto and Stratford?—The line from Montreal to Brockville, about 125 miles, will be opened in September 1855. The line from Quebec to St. Thomas, 40 miles on the Trois Pistoles section, will also be opened in September, 1855. The section from Brockville to Kingston, about 50 miles, and from Kingston to Whitby, about 140 miles, in September, 1856. The line from Whitby to Toronto, about 36 miles, will almost certainly be opened in September of next year. It is intended to open it, but I do not wish to speak of this length so confidently as I do of the other sections that I have stated will be opened in September of next year. The section from Toronto to Stratford, 90 miles, will be opened on the 1st of October, 1855.

13. The Committee then are to understand that it is expected that 390 miles of the Grand Trunk Railway, exclusive of the Montreal and Portland line, will be opened for traffic by next autumn?—Yes, the Quebec and Richmond, which will be opened within three weeks, and the foregoing, will make 390 miles.

14. What is the length of the Toronto and Sarnia section? What is the contract price and the character of the work? What are the names of the contractors?—This section is 172 miles long. The contract price is £1,376,000. The character of the works, and the supply of stock, are precisely the same as on the other sections of the Railroad. The contractors are Messrs. Gzowski & Co.

15. How much has been expended on the works of the Toronto and Sarnia section to the present date?—£576,758.

16. What is the contract price of the Quebec and Richmond section? What are its length and the character of its work, also the amount of Provincial guarantee?—The contract price for the Quebec and Richmond section is £650,000, and the Provincial guarantee is £250,000, or at about the rate of £2,500 a mile, the length of the line being about 100 miles. The contract price for this line is less than for the other sections of the Grand Trunk. The masonry of the bridges is of the same character, and the bridges themselves are tubular, the iron being of the same proportions as in the other sections of the Grand Trunk, but the station houses are to be of wood, and the surface width of the Railway is two feet less than the other sections. It is, I think, sixteen feet and the others are eighteen. The foundations of all large structures are for a double track.

17. What is the length and cost of the Trois Pistoles section, and the amount of the Provincial guarantee?—The length of the Trois Pistoles line is 153 miles. The

contract price is £1,224,000, and £453,000 is the amount of the Provincial guarantee.

18. What is the amount of Provincial debentures issued for all the sections amalgamated with the Grand Trunk line by the Agents of the Province in London? State the amounts on the Grand Trunk and on each section amalgamated?—Before the amalgamation of the St. Lawrence and Atlantic Company with the Grand Trunk, £400,000 of Provincial debentures had been issued to that Company. Since the amalgamation, £605,800 of Provincial debentures have been issued to the Grand Trunk Company, of which £67,500 have been given in right of the St. Lawrence and Atlantic Company, £250,000 on the Quebec and Richmond, and £288,300 in right of the Grand Trunk proper. This last is up to the latest date of our Returns from London namely, the 31st of August last. The sections from Montreal to Toronto, and from Quebec to Trois Pistoles are the sections entitled to the Provincial guarantee.

19. Are any of the Provincial Debentures issued directly to the Contractors?—No, the Contractors receive all their payments from their Company in money.

20. Are the Company restricted from selling the Debentures of the Province below par?—They are not sold by the Company, they are issued by the Agents of the Province to the Shareholders of the Company at par, on their paying for them in full, and they are then subjected to the control of the holders like any other description of property.

21. Describe the process by which payments on account of works are made by the Company?—The Engineer-in-Chief of the Company, Mr. Alexander Ross, receives at the end of each month from his different Sub-engineers, accounts of the progress of each and every work. These several statements are considered and arranged in his office, and he submits to each monthly meeting of the Board of Directors, certificates detailing under the several heads of Expenditure the amounts to which the Contractors are entitled for the previous month. This process is adopted for each of the sections which I have named in a previous answer. The certificates having been considered by the Board, Resolutions authorizing the payments of the sums to which the Contractors are entitled, are passed and recorded. Payment is, in the following week, made to the Contractors under the authority and superintendence of the Finance Committee of Directors. This practice is strictly in accordance with the English practice, and was adopted on the Railway Company of which I was Secretary for eight years in England, during which period we expended upwards of eight millions sterling on Works,

22. Describe the proceedings adopted to entitle the Company to the money paid in London by the Shareholders on account of Provincial Debentures?—When we are aware that works on the sections of the Railway entitled to the Provincial Guarantee, have been executed to the extent of £100,000, I write, by direction of the Board, to the Secretary of the Board of Works, and enclose a certificate from the Engineer-in-Chief of the Company, stating the amount of work done on each section. I also request that the Board of Works will issue orders to the Agents of the Province in London, Messrs. Glynn and Baring, to release from their charge as agents, and to hand to the Company, the proportion that 40 per cent. bears to the amount certified by the Chief Engineer. The Board of Works instruct their officer to put himself in communication with the Chief Engineer of the Company, and also personally to visit and report upon the works upon which the release is sought. The Railway Commissioners subsequently meet and authorise the Receiver General to instruct the London agents of the Province to release such amounts as they,

57.500
250.000
288.300
605.800
400.000
1005.800

on the report of their officer, may consider proper. This amount, under authority of such order, is then handed over to the Company, and is lodged to its credit at its Banker's in London.

23. What is the total capital of the Grand Trunk Company? What is the total number of miles of Railway finished and under contract? What the number of miles entitled to the Provincial Guarantee, and total amount of such guarantee?—The total Capital of the Grand Trunk Company is £9,500,000. The miles of Railway finished and under contract, are 1,112, viz: Montreal to Portland, 292; Quebec to Trois Pistoles, 153; Quebec to Richmond, 100; Montreal Toronto, 345; Belleville to Peterborough, 50; Toronto to Sarnia, 172. Of these the section,—from Montreal to Portland, is open, the Quebec and Richmond about to be opened, and 290 miles will be finished next year,—in the following year, 297. The Company temporarily suspends 233 miles. The number of miles entitled to the Guarantee is 724, and those not entitled to the Guarantee, 388. The amount of the Guarantee is £1,811,500. X X

24. Can you state the amount of money paid by the Shareholders of the Grand Trunk Railway Company, on account of Shares, Provincial Bonds, and Company's Bonds, up to the latest period to which you have an account?—£3,721,906. This includes the capital paid for the Quebec and Richmond, and St. Lawrence and Atlantic Lines.

25. Can you state the amount expended by the Company, on the Montreal and Toronto, and Quebec and Trois Pistoles sections of the Grand Trunk Company, and how much has been received on account of the Guarantee from the Government?—The amount expended is £1,296,423. The amount released by the Province, £310,000.

26. What are the names of the English and Canadian Contractors?—The names of the English Contractors are Messrs. Brassey, Reto, Bate and Jackson. The Canadian Contractors are Messrs. Gzowski, Galt, Holton and Macpherson.

27. What is the amount of Capital subscribed by private Shareholders, what percentage paid thereon, what do they receive as an equivalent for their payments?—The total Capital subscribed on the Grand Trunk proper is £8,083,600, amount paid on such Capital is £2,171,900 of which £1,811,500 is in Canada. On £7,246,900 of this Capital, the Shareholders receive at the rate of one Share for each £25, and they also receive which specify on the face of them the amount paid up. The Certificate also contains an undertaking on the part of the Company to call on Certificate are paid in full, the Holders will receive a Province Debenture or Company's Debenture in proportion which each Share subscribed entitles the holder of Share Capital carries with a right of £23 10s. 6d. of Province Debentures, and £13 10s. is Company's Capital remaining to make the £8,083,600, done.

plain how is the entire Capital of the Grand Trunk paid and how much of the same paid in full?—The total of this as I have already said, £8,083,600, was the amount paid in London in April 1853. This Capital consisted of Company Bonds, £2,090,700, and Province Debentures, and there has been paid up on Stock, £883,156, Com-

In this account comprised of Debentures £4,000,000 -
 and Province Debentures £4,164,400 -
 £8,164,400 -
 Made in Atlantic. Montreal

And subscribed in London in 1853 £8,083,600
 And subscribed paid prior to 1853 £416,400
 Stock 4,134,400
 G. Bonds 2,090,700
 Provincially Deb. 1,811,500
 Capital 6,272,100
 £8,083,600

paid up outlook. 853,156.
 on Bonds 558,327. £1. 441. 483.
 (29) expended on roads not entitled to guarantee leaving £ 591,483

And of Bridge 735. 417
 expended on the 591. 483
 recap of expense 143.93
 of Deb. on work done

panies Bonds, £553,327, and Province Debentures, £735,417, £605,800, of Bonds have been issued, viz., £67,500, on account of the St. Lawrence and Atlantic Section, £250,000, on account of the Quebec and Richmond, £288,300, on account of the Montreal and Toronto and Quebec and Trois Pistoles Sections in all, £605,800. The balance which is in the hands of the Agents of the Province, is 425,416. The remaining portion of the £9,500,000, consists of Capital raised prior to the amalgamation by the following Companies: St. Lawrence & Atlantic: Share, £246,000, Bonds of the Province, £400,000, and other Bonds, £233,000, total £879,100—Quebec & Richmond shares, £305,000, Bonds, £100,000, Toronto & Guelph shares, £132,300.

29. Can you divide the Expenditure of the £2,171,900 on the several sections? Not very precisely as regards some, without referring to the books of the Company and to our other Documents which are at Montreal. Approximately I can inform the Committee that £430,000 have been expended on the section between Toronto and Sarnia, (in addition to the amount paid on the Toronto and Guelph Shares which is about £126,000). On the St. Lawrence and Atlantic Line £315,000. On the Richmond £50,000. On the Victoria Bridge £150,000. I can give the precise sums that have been spent on the Montreal and Toronto and on the Quebec and Trois Pistoles which are the sections that are entitled to the Provincial guarantee—Toronto and Montreal £1,131,063. Quebec and Trois Pistoles, £165,350.

(No 27) x Capital of Grand Trunk proper, is — £ 8,083,600
 of which the shareholders are entitled to
 Provincial Debentures to And of
 Company Bonds
 Shares in the company

1. 811,500
 2. 890,700
 3. 131,400
 7. 346,800

Balance on half shares & on half bonds 227,600 £ 8,083,600

No 28. entitled to guarantee
 345 miles, Grand Trunk Can. West
 153 " Grand Trunk Can East
 100 " Quebec & Richmond

698 St. Lawrence & Atlantic Montreal to Toronto
 1126 of which, the Province is to guarantee
 724 Miles in all. of which, the Province is to guarantee
 166 miles between Atlantic & St. Lawrence. Montreal to
 172 " Toronto to Sarnia
 52 " Belleville to Peterboro
 388 " all the rest not entitled to guarantee
 1172 Miles, entire length —

292 {
 of money
 of the Province